

**NISSAN**

[www.nissan-global.com](http://www.nissan-global.com)

# Nissan's Global Strategy

Nomura Investment Forum

Toshiyuki Shiga  
Chief Operating Officer  
December 6, 2012

**1**

## **Changes Surrounding Auto Industry**

**2**

## **Nissan's Global Growth Strategy**

**3**

## **Talent Management to Support Strategy Implementation**

**4**

## **Nissan Risk Management to Support Growth Strategy**

# Environment Surrounding Global Auto Industry

## ■ Major 3 + 1 changes

1. Expanding Emerging Countries

2. Various Environmental Technologies

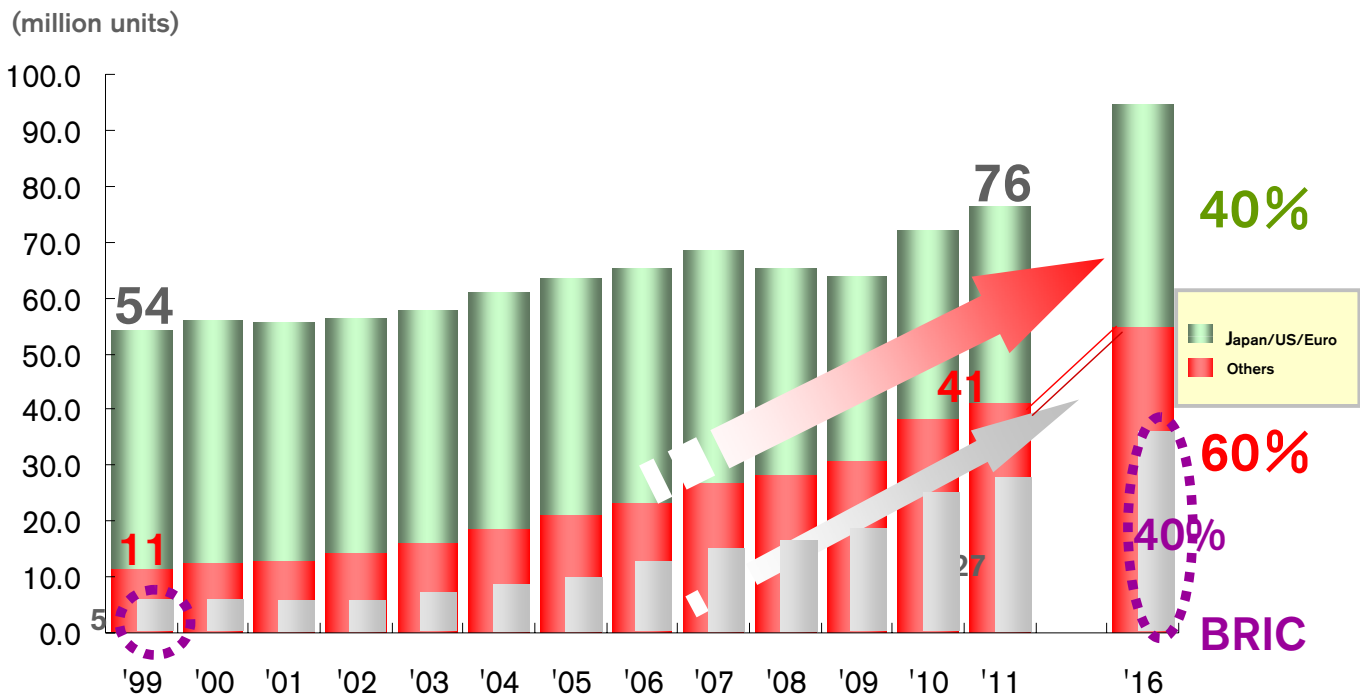
3. Downsizing /Lower Prices

+

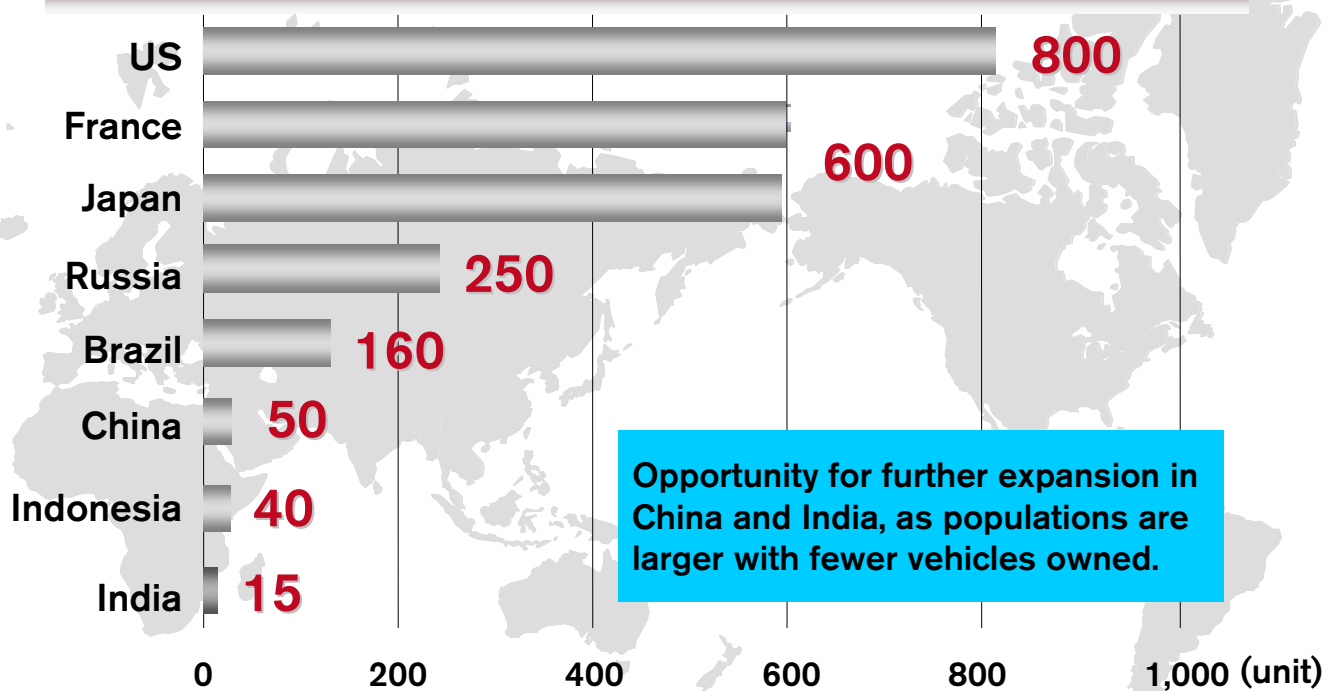
④ IT changes to automobile society

# 1. Expanding Emerging Countries

Transition in global total industry volumes:  
Clear expansion of emerging markets

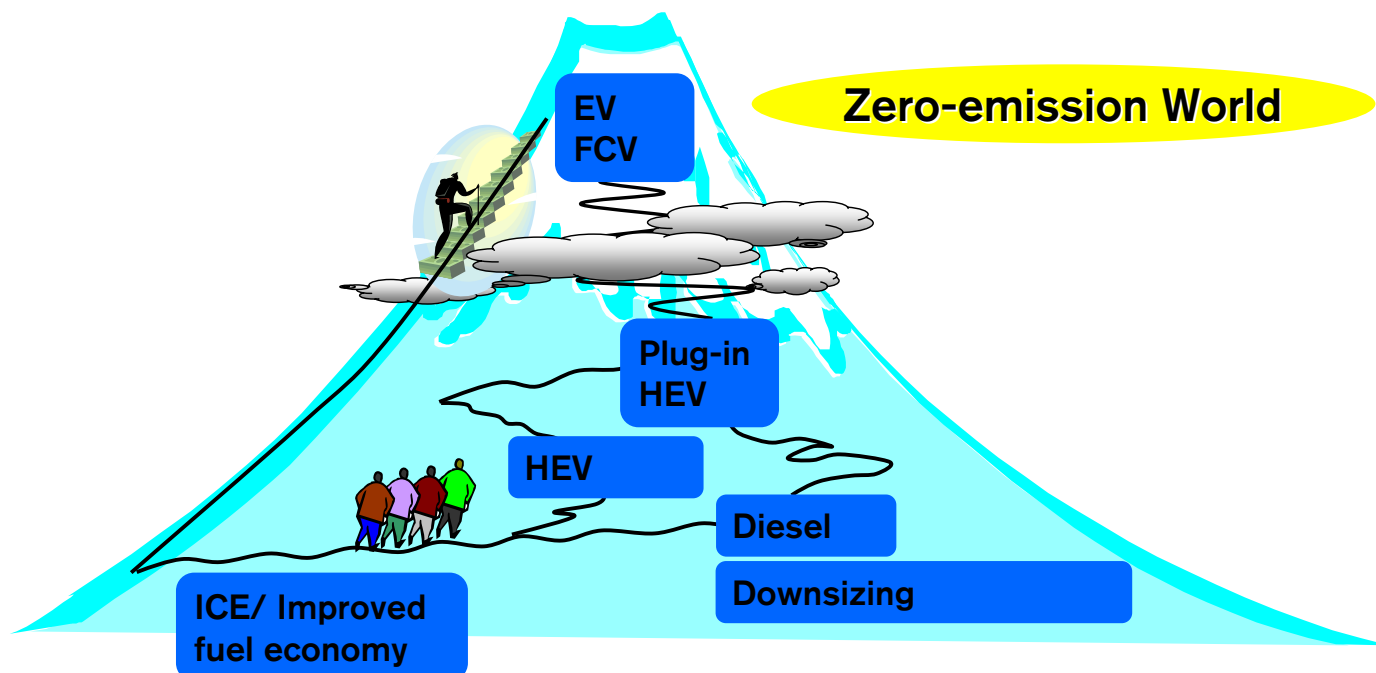


## Potential future based on vehicle ownership per 1,000 people



Source: JAMA "World Motor Vehicle Statistics 2012" (data as of 2010)

## 2. Dealing with Various Environmental Technologies



Japan: HEV/Fuel-efficient gasoline engine/CVT

Europe: Diesel/Downsizing/DCT transmission

US: High-output fuel-efficient gasoline engine/HEV

China: Fuel-efficient gasoline engine/EV recommended by government

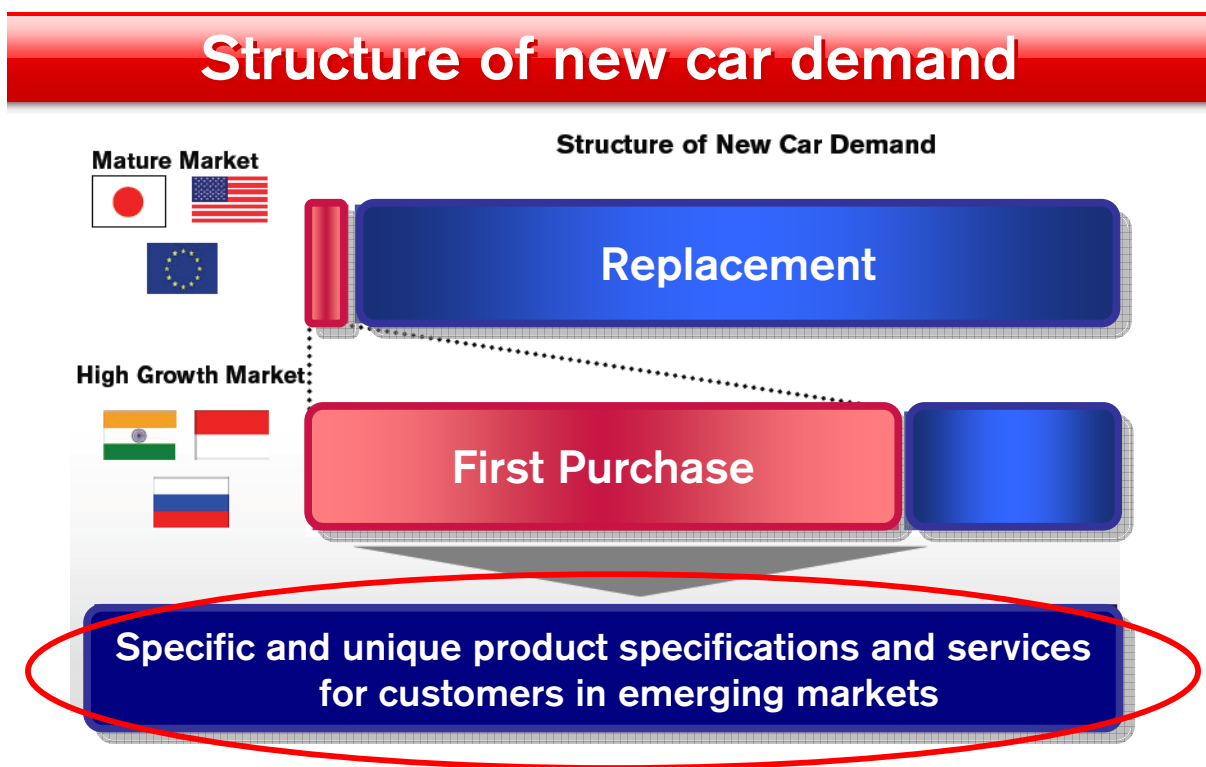
**NISSAN**

6

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

### 3. Global Trend of Downsizing and Lower Prices



1

Changes Surrounding Auto Industry

2

**Nissan's Global Growth Strategy**

3

Talent Management to Support Strategy Implementation

4

Nissan Risk Management to Support Growth Strategy



# Nissan's Global Growth Strategy

## ① Aggressive Strategy

Strategy for  
emerging  
countries



Strategy for lower-  
priced/compact vehicles

V-Platform



## ② Leadership Strategy



Zero Emission



## ③ Partnership Strategy

Renault-Nissan Alliance



DAIMLER



**NISSAN**

9

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

# Global Development Structure

29 overseas sites/offices



**NISSAN**

10

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

## Emerging Countries Offensive: China



**DONG FENG**

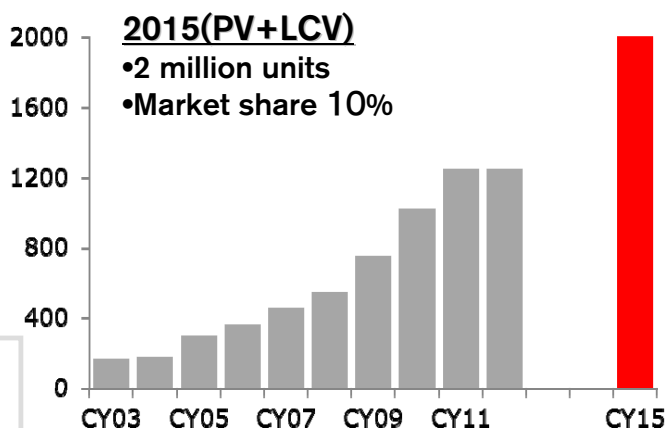
Zhengzhou Plant  
(Henan province)

Xiangyang Plant  
(Hubei Province)

Huadu Plant  
(Guangzhou City)

New plant  
(Dalian City)

\* Announced in July, 2011



LCV



Tiida



Venucia D50

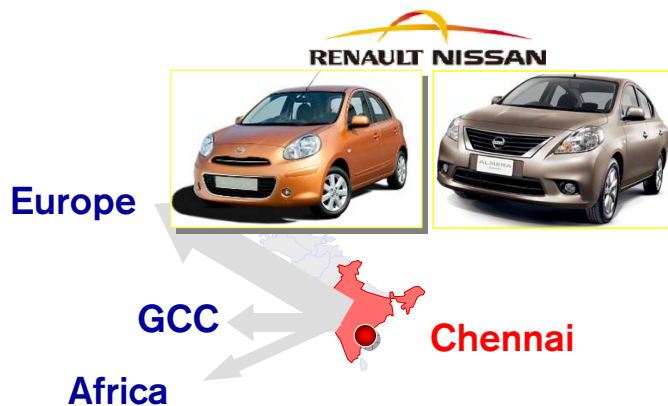


**NISSAN**

## Emerging Countries Offensive: Partnership Strategy in India

Plan to increase production capacity from 200K to 400K units  
Establish partnership to strengthen product competitiveness and  
promote localization

### ✓ Alliance Plant



### ✓ Local Partnership

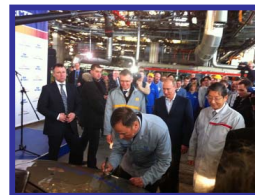
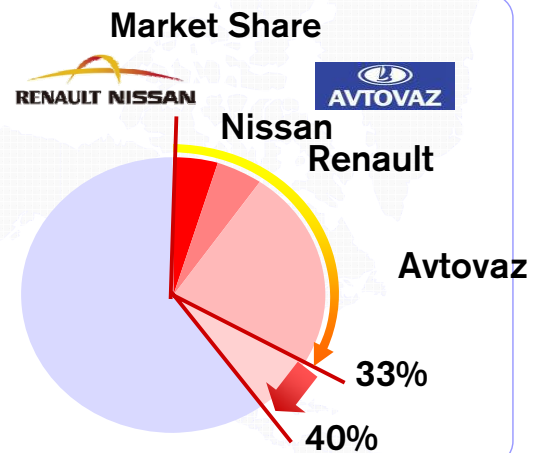
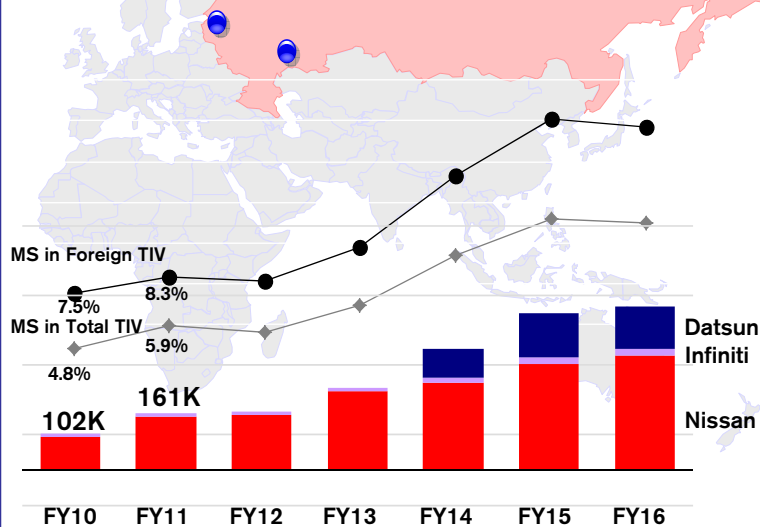


# Emerging Countries Offensive: Partnership strategy in Russia

**Alliance market share > 40%**

## Nissan mid-term plan

- Market share (TIV): 10% or over
- Market share (TIV for foreign vehicles): 15% or over
- Sales volume: 400K or over



ALMERA, 1<sup>st</sup> local production model

**NISSAN**

13

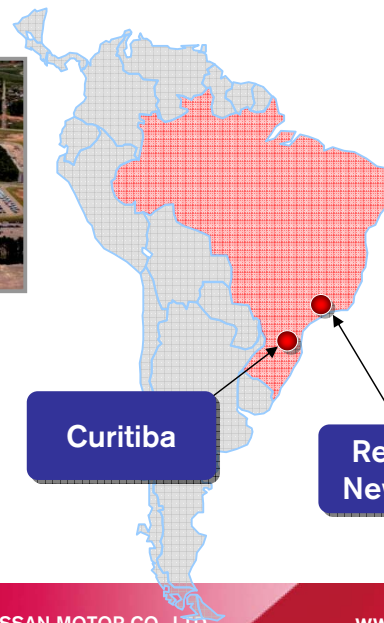
(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

## Emerging Countries Offensive: Alliance strategy in Brazil

Increase Alliance market share to 13% by 2016  
(Present: 6.5%)

OFFICIAL SPONSOR



**NISSAN**

14

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

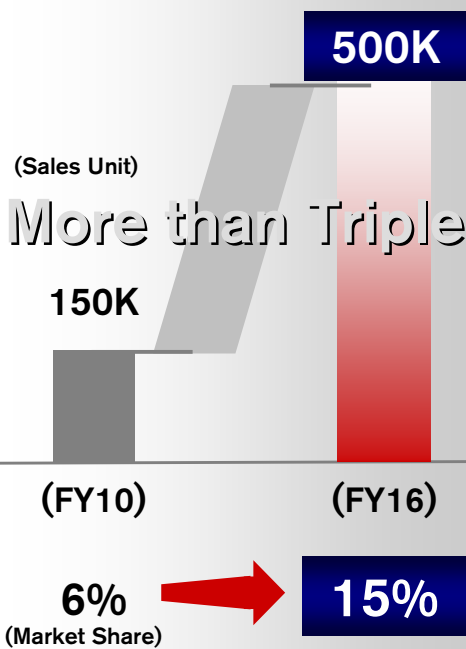
# Emerging Countries Offensive: ASEAN 5 (Thailand, Indonesia, Malaysia, Philippines and Vietnam)

**Production Capacity**  
FY12: 220K units/year  
FY14~: 370K units/year



**Production Capacity**  
FY12: 100K units/year  
FY14: 250K units/year

## ASEAN5-MTP



**NISSAN**

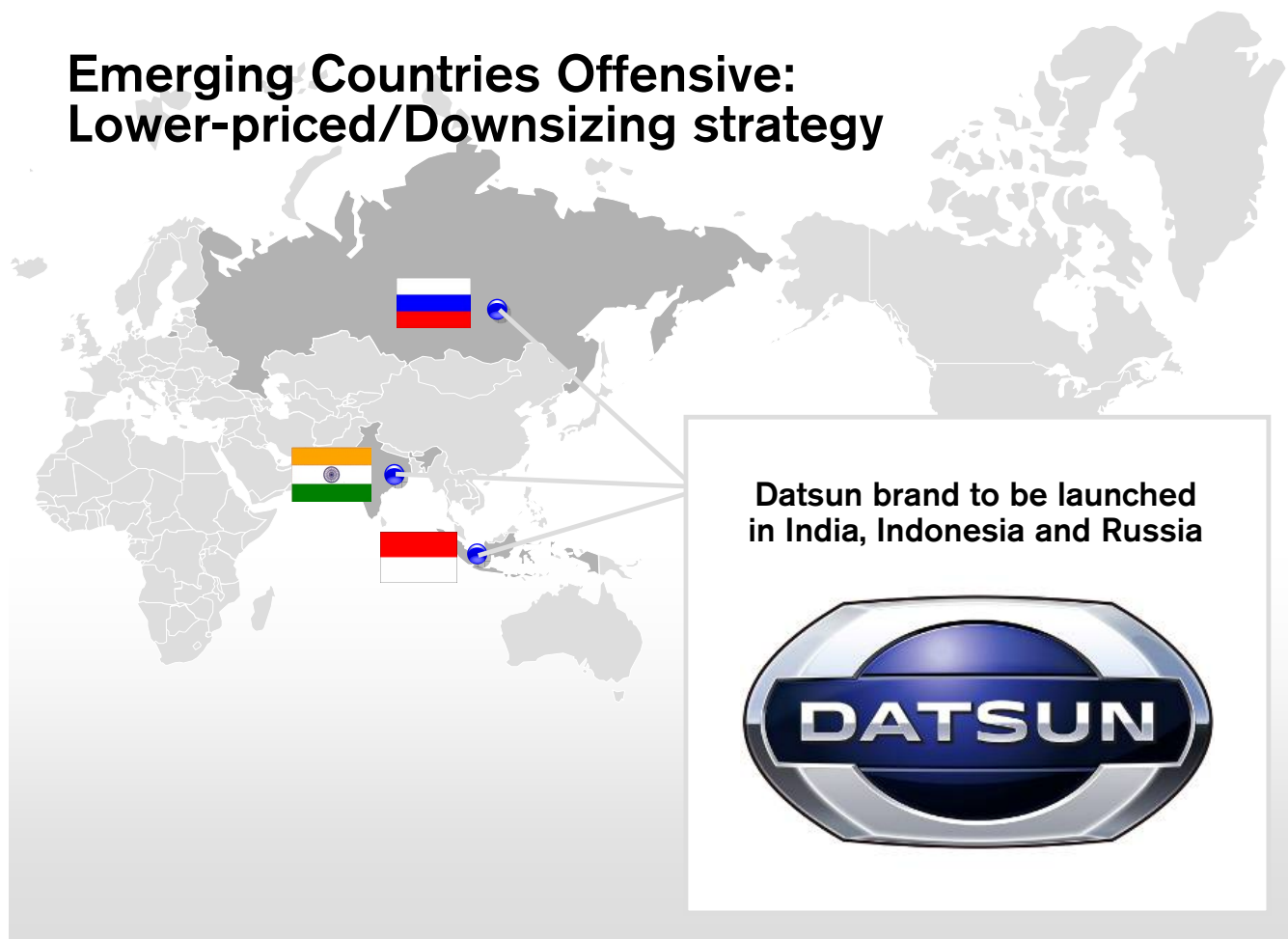
15

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

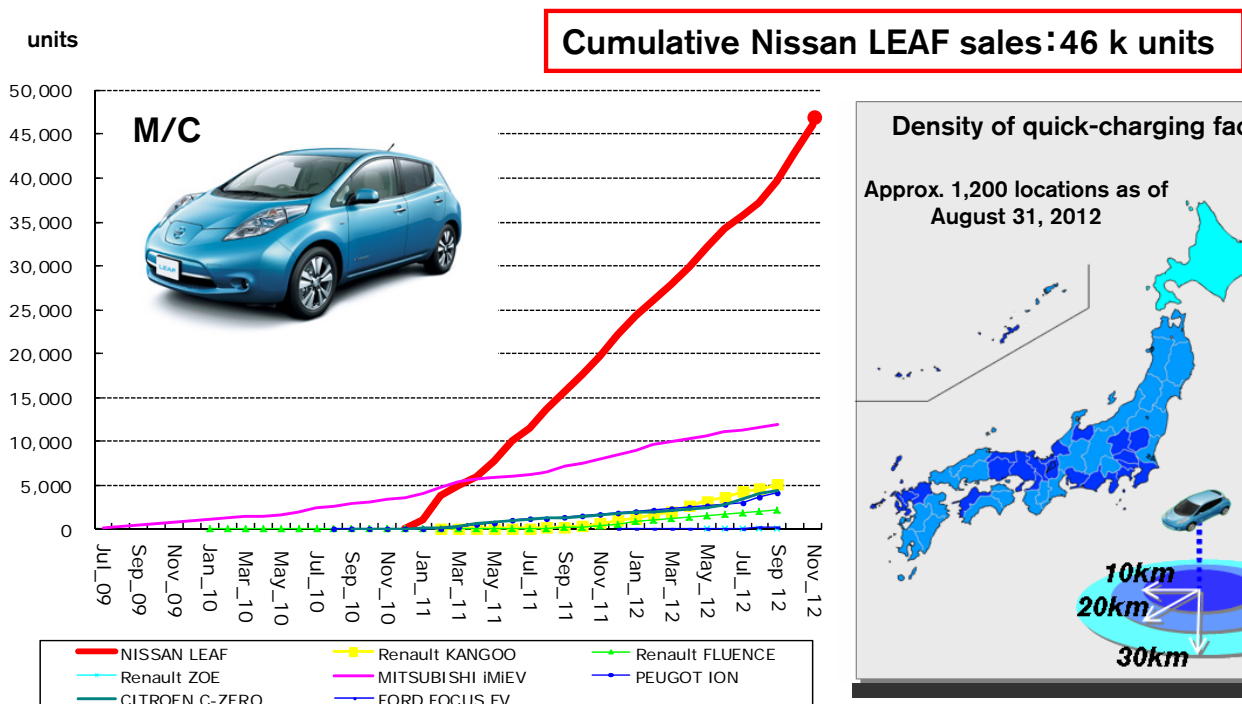


## Emerging Countries Offensive: Lower-priced/Downsizing strategy

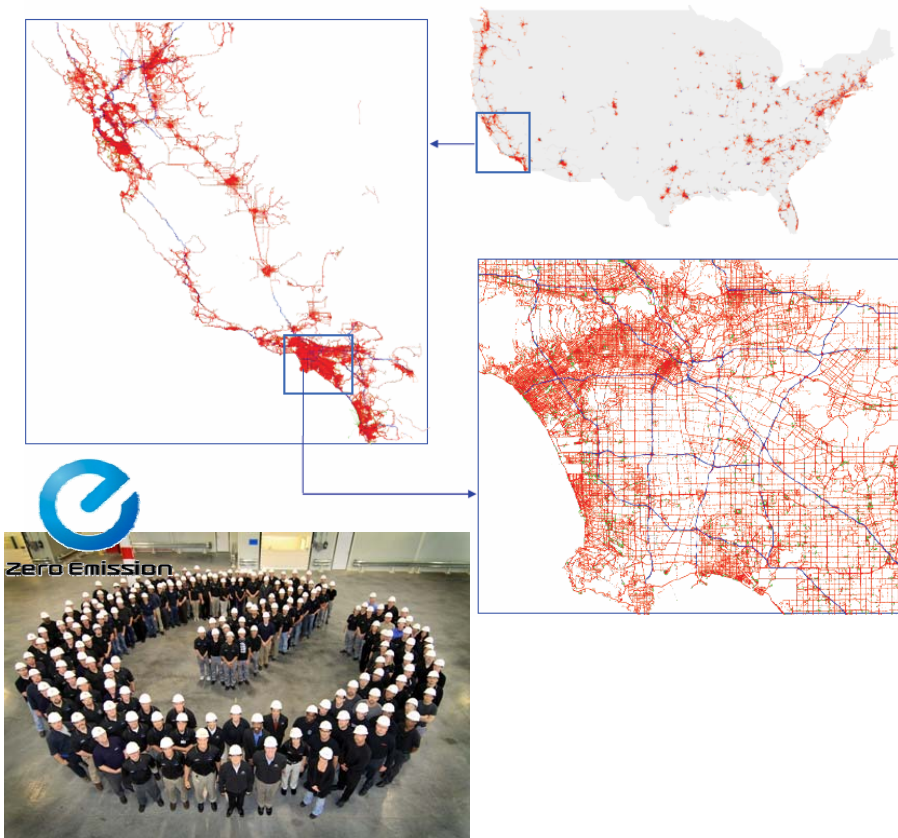




# Zero-emission Leadership



# Zero-emission Leadership



**NISSAN**

18

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

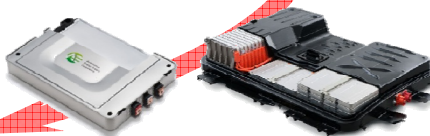
# Zero-emission Leadership



Energy storage system

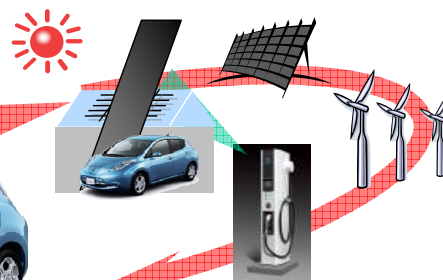


Introduction of EV/FCEV



Become the leader in EV battery

Smart Community



**NISSAN**

19

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

# Zero-emission Leadership

Evaluating joint development with Daimler for mass-production of fuel cell vehicles

## NISSAN



X-TRAIL FCV

## DAIMLER



Mercedes-Benz B-class F-CELL

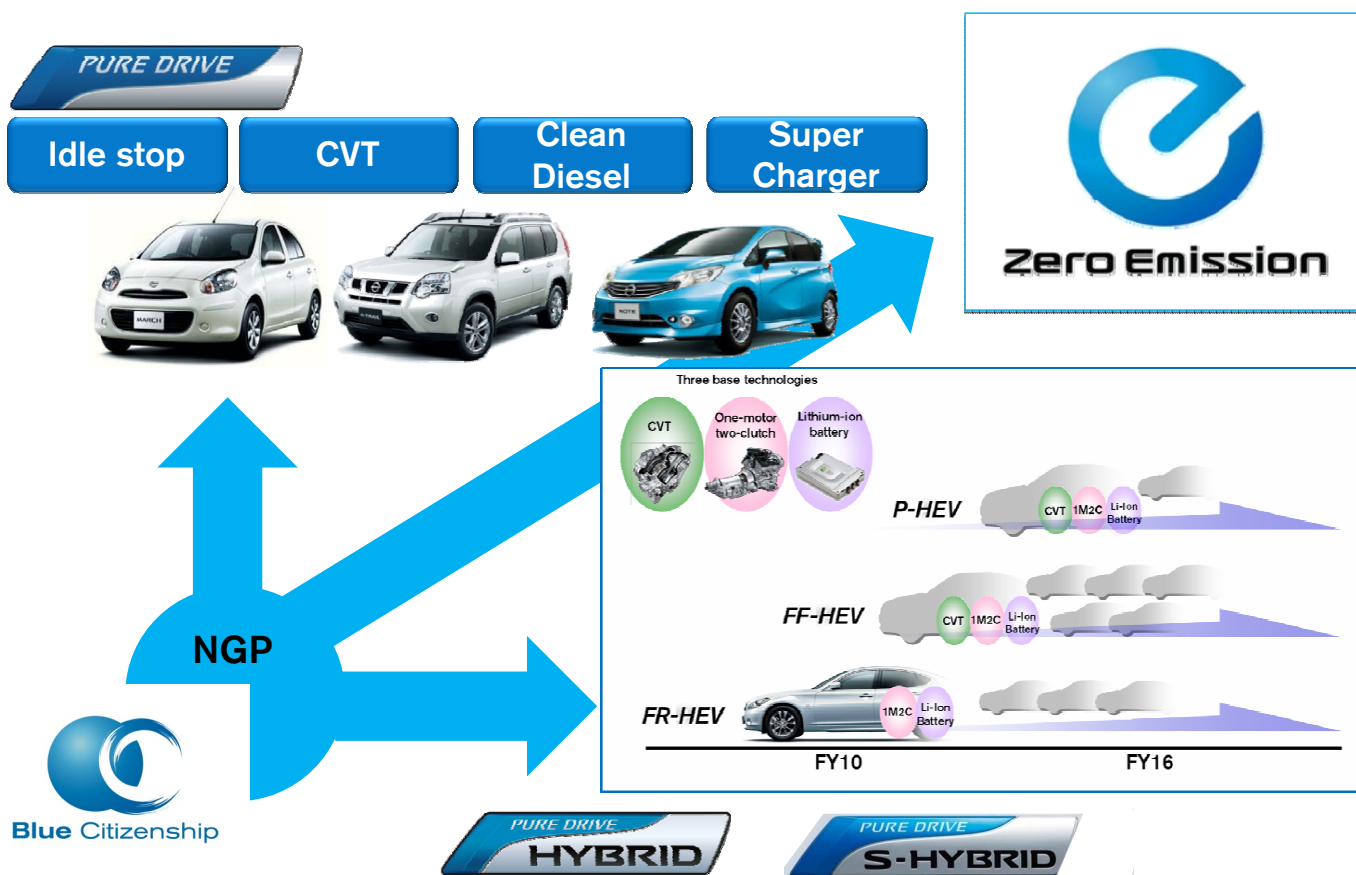
## NISSAN

20

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

# Industry-leading environmental technology strategy



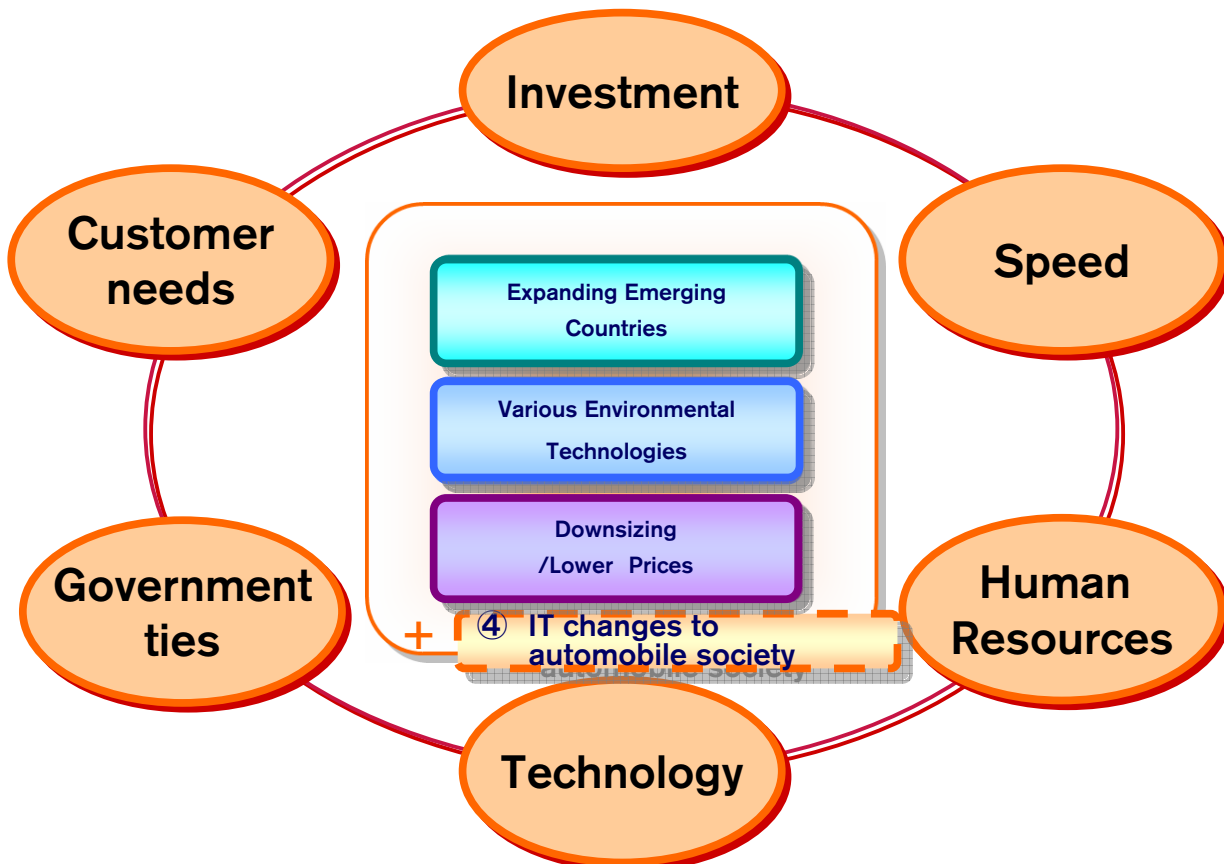
**NISSAN**

21

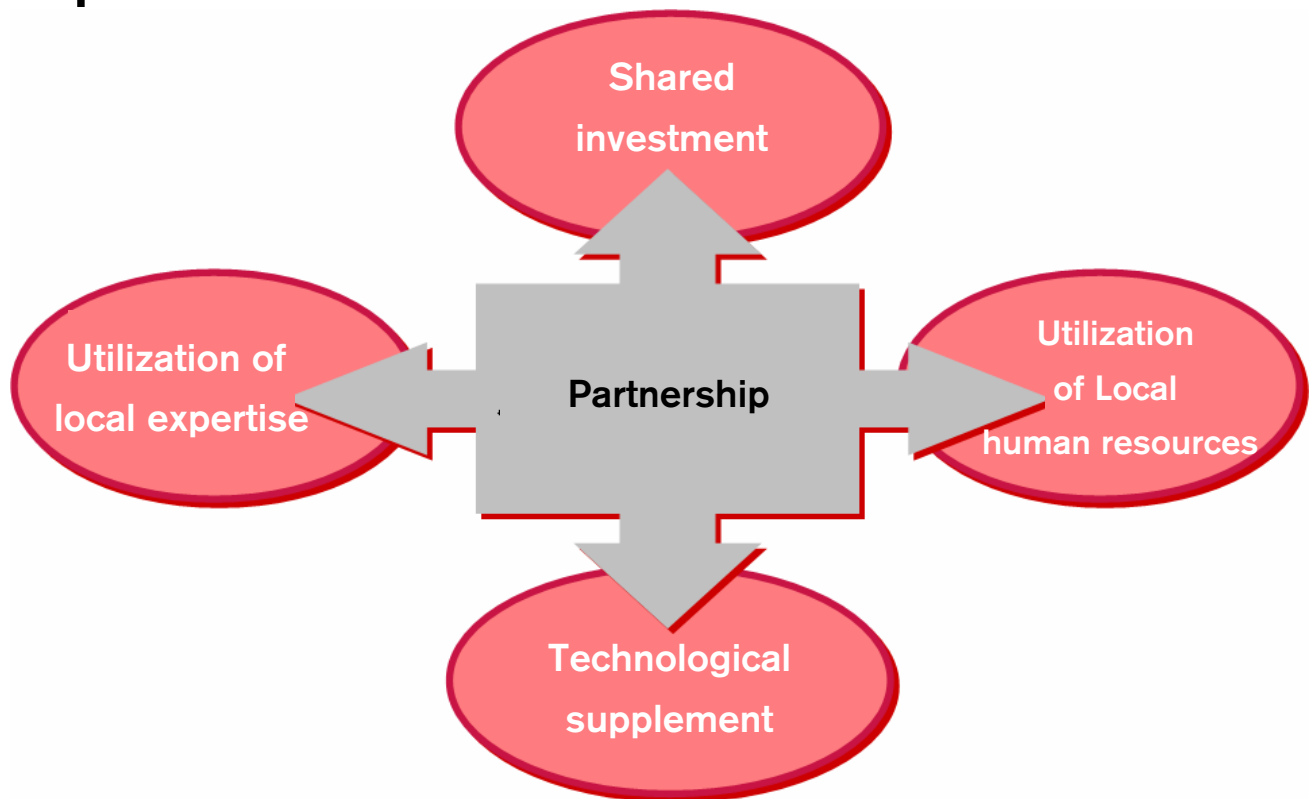
(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)

Difficult for one company to deal with ongoing changes



## Importance of Partners



**Supplement**

**Synergy**

**Substitute**

**Offset**

**NISSAN**

23

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)



# Our Partnerships



DAIMLER



AVTOVAZ



DONG FENG



ASHOK LEYLAND



NISSAN  
MITSUBISHI  
MOTORS



NISSAN

24

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)



1

Changes Surrounding Auto Industry

2

Nissan's Global Growth Strategy

3

**Talent Management to Support Strategy Implementation**

4

Nissan Risk Management to Support Growth Strategy

# Nissan Global Management

Based on global **organization/human affairs/culture**, maximize Nissan group's overall performance with optimal allocation and full utilization of human resources and competencies

Resource management	Global HR Management (H/C, L/C)	
Talent management	<b>NAC (Corporate, by Function, by Region) <sup>*1</sup></b> <b>HPP Nomination by Career Coaches</b> <b>Global Training (GET, LEAD, G-NRDP) <sup>*2</sup></b> <b>CDP for HPPs</b> <b>Succession Plan for Key Posts</b>	
Corporate culture	<b>Commitment &amp; Target</b> <b>CFT / V-up</b>   <b>NISSAN WAY</b>  <b>Diversity</b>	

\*1) NAC: Nomination Advisory Council, \*2) GET: Global Executive Training, \*3) NRDP: Nissan Rotational Development Plan

## Diversity of Top Management

Promote diversity at top management levels

		Non-Japanese
	Management Committee members	44%
	CVP or above @NML	24%
	100 major global posts	49%

1

Changes Surrounding Auto Industry

2

Nissan's Global Growth Strategy

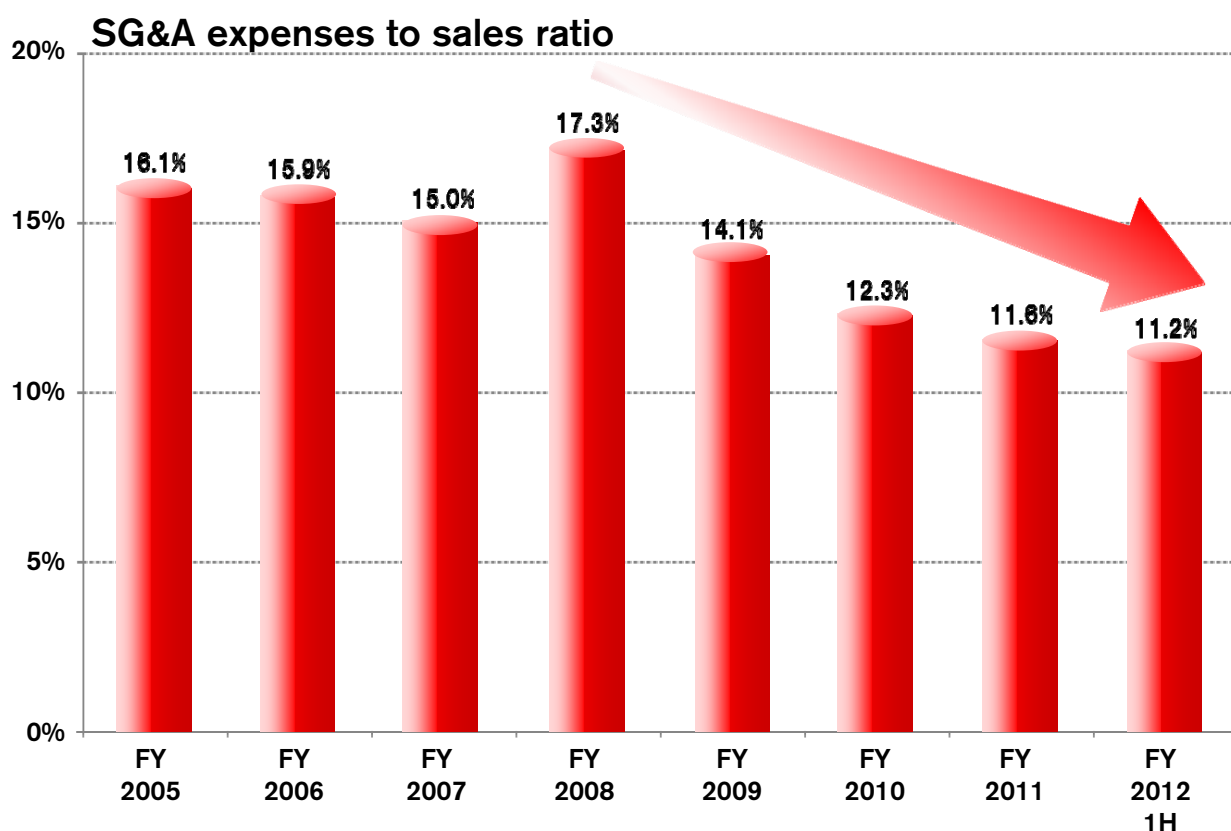
3

Talent Management to Support Strategy Implementation

4

**Nissan Risk Management to Support Growth Strategy**

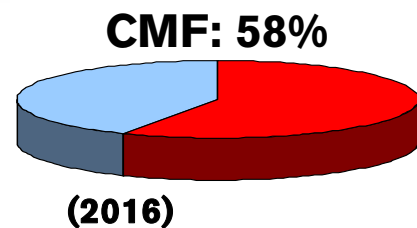
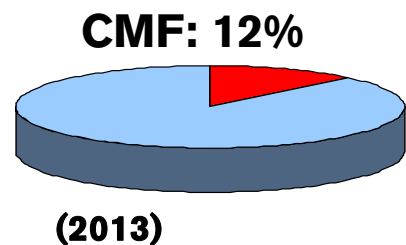
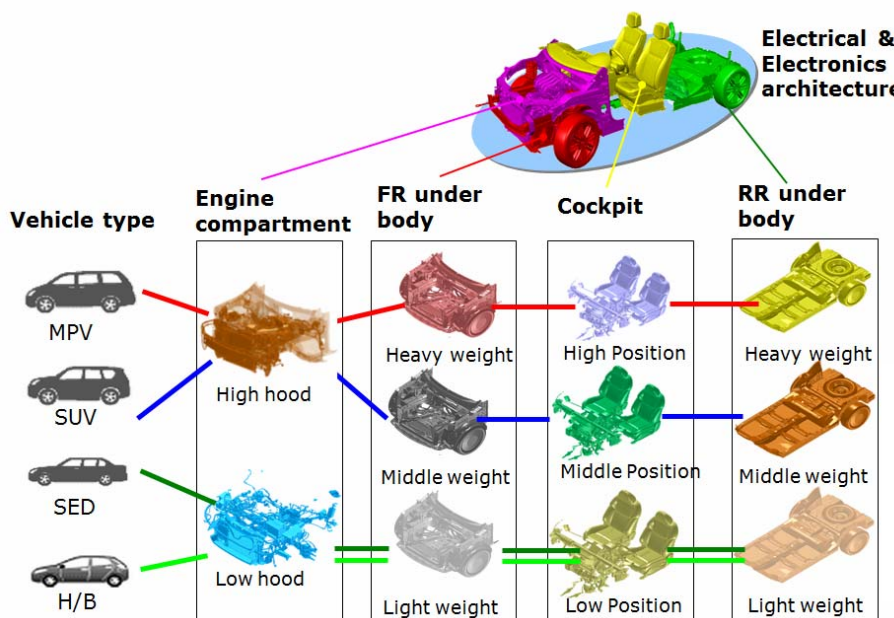
# Selling and General Administrative Expenses



## Extended Adoption of CMF

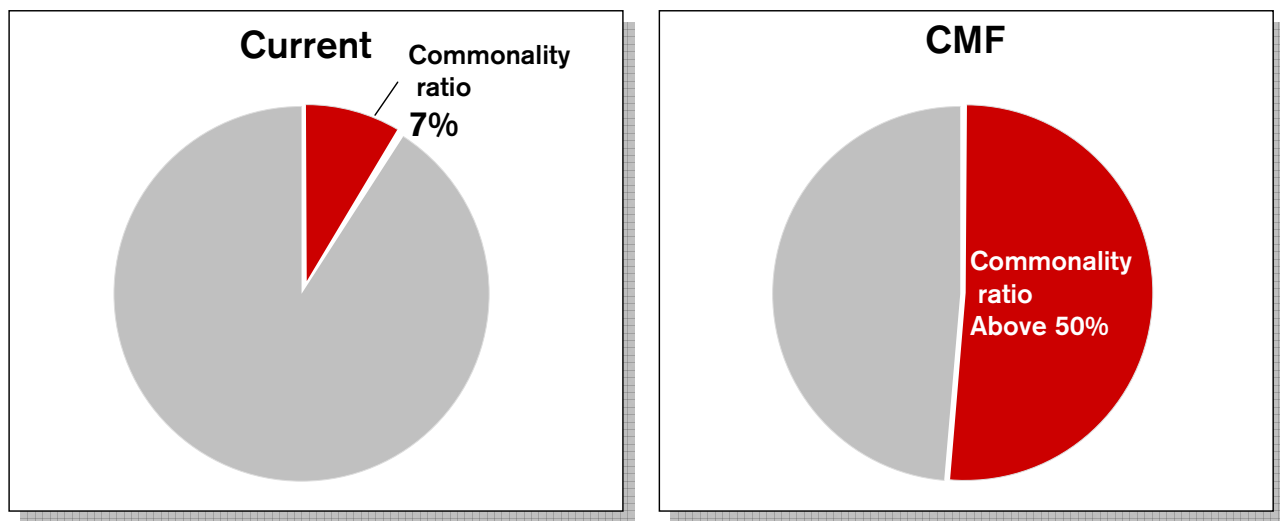
■ Extended adoption of CMF along with increased volume  
 → Economies of scale + Synergies from commonization

➤ CMF : 12% (2013) ⇒ **Challenge to 58% (2016)**



## Increase Commonality Ratio with Renault

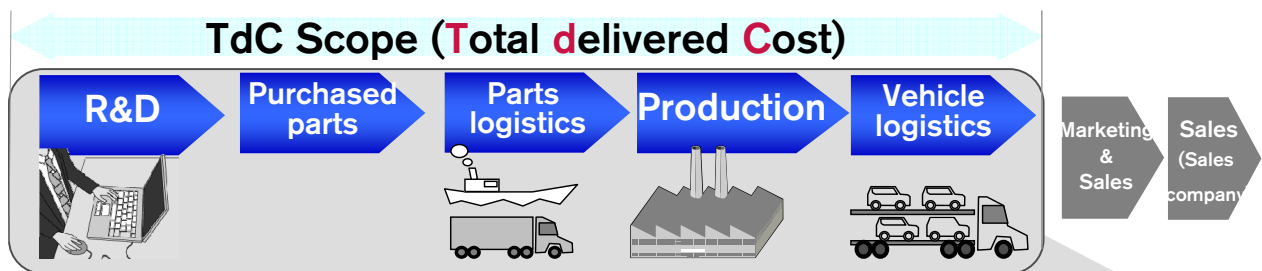
- Achieve commonality ratio of approximately 50% with Renault through CMF



\*Vehicle turnover basis

# Total delivered Cost (TdC) Challenge

- Comprehensive cost competitiveness and enhancement activities including parts purchasing as well as vehicle assembly and logistics



## Standpoint of TdC

R&D	Procurement of materials and components	Parts production	Parts logistics	Nissan in-house plants
Carry-over/carry-across	LCC utilization	Number of molds	Reviwing routes	In/On-site
Weight reduction	Localization	Takt time improvement	Inventory reduction	Optimized allocation
Spec review	Increased carry-over/carry-across	Operating ratio improvement	Bara-ka	Standpoints to be strengthened by TdC
Improved packaging for designing	Improved packaging	Yield improvement	Improved packaging	
Quality (including warranty)	Fill rate improvement	Optimized allocation	Fill rate improvement	
Reduction of variations	Inventory reduction	In/On-site	Logistics quality improvement	
	Customs	Localization	Customs	



# Summary





# NISSAN

**NISSAN**

35

(C) Copyright NISSAN MOTOR CO., LTD.  
2012 All rights reserved.

[www.nissan-global.com](http://www.nissan-global.com)